

**ST. TAMMANY PARISH CORONER****Financial Statements as of December 31, 2011 and 2010  
and for the Years Then Ended  
and Independent Auditors' Report  
and Required Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAY 16 2012**

# **ST. TAMMANY PARISH CORONER**

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## INDEPENDENT AUDITORS' REPORT

Dr. Peter R. Galvan, MD  
St. Tammany Parish Coroner  
Slidell, Louisiana

We have audited the accompanying basic financial statements of the St. Tammany Parish Coroner (the Coroner) as of December 31, 2011 and 2010 as listed in the table of contents. These financial statements are the responsibility of the Coroner's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Parish Coroner as of December 31, 2011 and 2010, and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise St. Tammany Parish Coroner's basic financial statements as a whole. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Silva Gurtner & Abney, LLC*

April 20, 2012

**ST. TAMMANY PARISH CORONER  
ST. TAMMANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of the St. Tammany Parish Coroner's (the Coroner) annual financial report, the Coroner's management is pleased to provide this narrative discussion and analysis of the financial activities of the Coroner for the years ended December 31, 2011 and 2010. The Coroner's financial activities and condition are discussed and analyzed within the context of the accompanying basic financial statements and footnote disclosures following this section.

**Financial Highlights**

- The Coroner's assets exceeded its liabilities by \$22.0 million and \$15.8 million (net assets) as of December 31, 2011 and 2010. This is a \$6.2 million increase over December 31, 2010 and a \$3.5 million increase over December 31, 2009, respectively.
- Total net assets as of December 31, 2011 and 2010, respectively, are comprised of the following:
  - (1) Capital assets, net of related debt, of about \$7.9 million and \$3.9 million consisting of property and equipment, net of accumulated depreciation.
  - (2) Unrestricted net assets of \$14.1 million and \$11.9 million.
- The Coroner's governmental fund reported a total fund balance of \$14.5 million and \$12.2 million, respectively, as of December 31, 2011 and 2010, which exists in the general fund primarily due to the accrual of 2011 and 2010 property tax revenue that will be collected in 2012 and 2011.

The above financial highlights are explained in more detail in the "Financial Analysis" section that follows.

**Overview of the Financial Statements**

This Management's Discussion and Analysis section introduces the Coroner's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Coroner also includes in this report additional information to supplement the basic financial statements.

***Government-wide Financial Statements***

The Coroner's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Coroner's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting.

The first of these government-wide financial statements is the *Statement of Net Assets*. This is the government-wide statement of financial position presenting information that includes all of the Coroner's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Coroner as a whole is improving or deteriorating.

**ST. TAMMANY PARISH CORONER  
ST. TAMMANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The other government-wide financial statement is the *Statement of Activities*, which reports how the Coroner's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid.

The government-wide financial statements present governmental activities of the Coroner that are principally supported by the St. Tammany Parish Council.

The government-wide financial statements are presented on pages 8 and 9 of this report.

***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Coroner uses funds to ensure and demonstrate compliance with finance and budget related laws and regulations.

The Coroner uses governmental funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function as governmental activities in the government-wide financial statements. However, the focus is very different with fund financial statements providing a distinctive view of the Coroner's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between the two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

The Coroner has only one governmental fund, which is the General Fund, and the basic governmental fund financial statements are presented on pages 10 through 13 of this report.

***Notes to the Basic Financial Statements***

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes begin on page 14 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Coroner's budget presentation. Budgetary Comparison Statements are included as "Required Supplemental Information" for the General Fund. This schedule demonstrates compliance with the Coroner's adopted and final revised budget. This Required Supplemental Information schedule can be found on page 23 of this report.

**ST. TAMMANY PARISH CORONER  
ST. TAMMANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Financial Analysis of the Coroner as a Whole**

The Coroner's net assets at December 31, 2011 and 2010 were \$22.0 million, and \$15.8 million, respectively. The following table (in thousands) provides a summary of the Coroner's net assets:

	2011	2010
<b>Assets:</b>		
Current assets	\$ 14,706	\$ 12,421
Capital assets, net of accumulated depreciation	7,893	3,896
<b>Total assets</b>	<b>\$ 22,599</b>	<b>\$ 16,317</b>
<b>Liabilities:</b>		
Current liabilities	\$ 231	\$ 193
Long-term liabilities	356	318
<b>Total liabilities</b>	<b>\$ 587</b>	<b>\$ 511</b>
<b>Net assets:</b>		
Investment in capital assets, net of related debt	\$ 7,893	\$ 3,896
Unrestricted net assets	14,119	11,910
<b>Total net assets</b>	<b>\$ 22,012</b>	<b>\$ 15,806</b>

**Governmental activities** – Governmental activities increased the Coroner's net assets by \$6.2 million in 2011 and \$3.5 million in 2010. Key elements of this increase are as follows (in thousands):

	2011	2010
<b>Revenues:</b>		
<b>Program:</b>		
Charges for services	\$ 241	\$ 254
Operating grants and contributions	62	198
<b>General:</b>		
Intergovernmental	5,371	5,636
Donated property		
State revenue sharing	90	139
State grant		
Other	2	18
Interest	64	70
Intergovernmental revenues	4,218	736
<b>Total revenues</b>	<b>10,048</b>	<b>7,051</b>
<b>Program expenses: Health and welfare</b>	<b>3,842</b>	<b>3,558</b>
<b>Changes in net assets</b>	<b>6,206</b>	<b>3,493</b>
<b>Beginning net assets</b>	<b>15,806</b>	<b>12,313</b>
<b>Ending net assets</b>	<b>\$ 22,012</b>	<b>\$ 15,806</b>

**ST. TAMMANY PARISH CORONER  
ST. TAMMANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Revenues**

The Coroner funded its operations primarily using property tax revenue and charges for services.

**Governmental Functional Expenses**

The function of the Coroner's office is health and welfare activities.

Health and welfare expenses in total were \$7.8 million in 2011 as compared to \$4.3 million in 2010. The increase of \$3.5 million from prior year is due to an increase in expenditures for the new Coroner's facility. The total payroll was \$2.0 million and \$1.7 million for the years ended 2011 and 2010, respectively. Pension expense relates to a reduction in property tax revenues for mandatory contributions to the state pension fund for Parish employees.

**Financial Analysis of the Coroner's Funds**

***Governmental Fund***

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The General Fund is the Coroner's only fund and reported an ending unreserved fund balance of \$14.5 million and \$12.2 million at December 31, 2011 and 2010, respectively, an increase of \$2.3 million and \$2.8 million, respectively, over the previous year.

**Budgetary Highlights**

***The General Fund*** – At December 31, 2011, actual expenditures were \$91 thousand under budget and actual revenues were over budget by \$600 thousand, the net effect of which was a \$691 thousand favorable budget variance.

**Capital Assets**

The Coroner's investment in capital assets, net of accumulated depreciation, as of December 31, 2011 and 2010 was \$2.4 million and \$2.7 million, respectively. At December 31, 2011 and 2010, the depreciable capital assets for governmental activities were 36% and 29% depreciated, respectively. The book value was at 64% and 71%, respectively, of the original cost. See Note D for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital assets.



**ST. TAMMANY PARISH CORONER  
ST. TAMMANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities (dollars are in thousands)**

	<u>2011</u>	<u>2010</u>
Depreciable assets:		
Transportation equipment	\$ 300	\$ 277
Equipment and fixtures	1,026	994
Furniture and fixtures	95	86
Land	1,401	1,401
DNA equipment	<u>1,015</u>	<u>1,015</u>
Total depreciable assets	3,837	3,773
Less accumulated depreciation	<u>1,394</u>	<u>1,108</u>
Book value - depreciable assets	<u><u>\$ 2,443</u></u>	<u><u>\$ 2,665</u></u>
Percentage depreciated	<u><u>36%</u></u>	<u><u>29%</u></u>

**Contacting the Coroner's Financial Management**

This financial report is designed to provide a general overview of the Coroner's finances, comply with finance and budget related laws and regulations, and demonstrate the Coroner's commitment to public accountability. If you have questions about this report or would like to request additional financial information, contact the Coroner's office, Dr. Peter R. Galvan, MD, 550 Brownswitch Road, Slidell, Louisiana 70458 or 985-781-1150.

**ST. TAMMANY PARISH CORONER  
STATEMENTS OF NET ASSETS  
AS OF DECEMBER 31, 2011 AND 2010**

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,684,023	\$ 6,780,323
Intergovernmental receivables, net	5,476,125	5,458,058
Revenue sharing receivable	90,879	92,651
Due from other governmental entities	1,454,589	90,130
<b>Total current assets</b>	<b>14,705,616</b>	<b>12,421,162</b>
<b>NON-CURRENT ASSETS</b>		
Construction in progress	5,449,770	1,231,188
Capital assets, net	2,443,407	2,664,378
<b>Total non-current assets</b>	<b>7,893,177</b>	<b>3,895,566</b>
<b>TOTAL ASSETS</b>	<b>22,598,793</b>	<b>16,316,728</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	163,006	125,041
Due to other governmental entities	67,750	67,750
<b>Total current liabilities</b>	<b>230,756</b>	<b>192,791</b>
<b>ACCRUED COMPENSATED ABSENCES</b>	<b>355,598</b>	<b>318,276</b>
<b>TOTAL LIABILITIES</b>	<b>586,354</b>	<b>511,067</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	7,893,177	3,895,566
Unrestricted	14,119,262	11,910,095
<b>TOTAL NET ASSETS</b>	<b>\$ 22,012,439</b>	<b>\$ 15,805,661</b>

See accompanying independent auditors' report and notes to financial statements.

**ST. TAMMANY PARISH CORONER  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

2011						Net (Expense)/ Revenue and Changes in Net Assets Governmental Unit
Expenses	Program Revenues					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Functions/Programs						
Governmental activities:						
Health and welfare	\$ 3,842,468	\$ 241,847	\$ 62,033	\$ -	\$ (3,538,588)	
		General revenues:				
					5,370,708	
					89,994	
					2,416	
					63,666	
					4,218,582	
				Total general revenue	9,745,366	
				Change in net assets	6,206,778	
				Net assets - beginning of year	15,805,661	
				Net assets - end of year	\$ 22,012,439	
2010						
					Net (Expense)/ Revenue and Changes in Net Assets Governmental Unit	
Expenses	Program Revenues					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Functions/Programs						
Governmental activities:						
Health and welfare	\$ 3,558,420	\$ 253,709	\$ 197,906	\$ -	\$ (3,106,805)	
		General revenues:				
					5,636,457	
					138,977	
					18,456	
					69,659	
					735,524	
				Total general revenue	6,599,073	
				Change in net assets	3,492,268	
				Net assets - beginning of year	12,313,393	
				Net assets - end of year	\$ 15,805,661	

See accompanying independent auditors' report and notes to financial statements.

**ST. TAMMANY PARISH CORONER  
BALANCE SHEETS - GOVERNMENTAL FUND  
AS OF DECEMBER 31, 2011 AND 2010**

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$ 7,684,023	\$ 6,780,323
Intergovernmental receivable, net	5,476,125	5,458,058
Revenue sharing receivable	90,879	92,651
Due from other governmental entities	<u>1,454,589</u>	<u>90,130</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,705,616</u></b>	<b><u>\$ 12,421,162</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 163,006	\$ 125,041
Due to other governmental entities	<u>67,750</u>	<u>67,750</u>
<b>TOTAL LIABILITIES</b>	<b>230,756</b>	<b>192,791</b>
Fund balance	<u>14,474,860</u>	<u>12,228,371</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 14,705,616</u></b>	<b><u>\$ 12,421,162</u></b>

See accompanying independent auditors' report and notes to financial statements.

**ST. TAMMANY PARISH CORONER  
RECONCILIATIONS OF GOVERNMENTAL FUND  
BALANCE SHEETS TO THE STATEMENTS OF NET ASSETS  
AS OF DECEMBER 31, 2011 AND 2010**

**2011**

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FUND BALANCE - TOTAL GOVERNMENTAL FUND	\$ 14,474,860
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Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds.

Governmental capital assets	9,286,391	
Less accumulated depreciation	<u>(1,393,214)</u>	
		7,893,177

Compensated absences used in governmental activities  
are not financial uses and, therefore, are not reported in  
the funds.

Compensated absences		<u>(355,598)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 22,012,439</u></u>
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**2010**

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FUND BALANCE - TOTAL GOVERNMENTAL FUND	\$ 12,228,371
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Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds.

Governmental capital assets	5,003,912	
Less accumulated depreciation	<u>(1,108,346)</u>	
		3,895,566

Compensated absences used in governmental activities  
are not financial uses and, therefore, are not reported in  
the funds.

Compensated absences		<u>(318,276)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 15,805,661</u></u>
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See accompanying independent auditors' report and notes to financial statements.

**ST. TAMMANY PARISH CORONER**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GENERAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>		
Intergovernmental		
Intergovernmental revenues	\$ 9,589,290	\$ 6,371,981
Traffic fines and court fees	57,075	49,945
Charges for service	184,772	203,764
General		
State revenue sharing	89,994	138,977
State grant	62,033	197,906
Interest income	63,666	69,659
Other income	<u>2,416</u>	<u>18,456</u>
Total revenues	10,049,246	7,050,688
<b>EXPENDITURES</b>		
Health and welfare		
Personnel services	2,017,267	1,701,045
Operating services	1,027,050	801,458
Materials and supplies	475,961	726,405
Capital outlay	<u>4,282,479</u>	<u>1,022,795</u>
Total expenditures	<u>7,802,757</u>	<u>4,251,703</u>
<b>CHANGES IN FUND BALANCE</b>	<b>2,246,489</b>	<b>2,798,985</b>
<b>FUND BALANCE - Beginning of year</b>	<u>12,228,371</u>	<u>9,429,386</u>
<b>FUND BALANCE - End of year</b>	<u><b>\$ 14,474,860</b></u>	<u><b>\$ 12,228,371</b></u>

See accompanying independent auditors' report and notes to financial statements.

**ST. TAMMANY PARISH CORONER  
RECONCILIATIONS OF STATEMENTS OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF  
GOVERNMENTAL FUND TO STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Net changes in fund balance - total governmental fund	\$ 2,246,489	\$ 2,798,985
Amounts reported for governmental activities in the statement of net assets are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the costs of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount of capital expenditures net of the depreciation.	3,997,611	745,965
Governmental funds report compensated absences as expenditures when the amount is paid. In the statement of activities, the net accretion/decretion is reported as an expense.	<u>(37,322)</u>	<u>(52,682)</u>
Changes in net assets in governmental activities	<u><u>\$ 6,206,778</u></u>	<u><u>\$ 3,492,268</u></u>

See accompanying independent auditors' report and notes to financial statements.

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the St. Tammany Parish Coroner (the Coroner) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the governmental entity's accounting policies are described below.

**Reporting Entity** – As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the voters of St. Tammany Parish elect the St. Tammany Parish Coroner for a four-year term. The Coroner investigates all deaths, performs autopsies, furnishes death certificates, provides protective custody services and examines other cases for other crimes under police investigation.

The component-unit financial statements of the Coroner include the general fund and activities that are within the oversight responsibility of the Coroner as an independently elected parish official. Certain units of local government, over which the Coroner exercises no oversight responsibility such as the Parish Council, Parish School Board, other independently elected parish officials, and municipalities within the Parish, are excluded from the accompanying component unit financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Coroner.

As the governing authority of the Parish, for reporting purposes, the St. Tammany Parish Council (the Council) is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

- a) Appointing a voting majority of an organization's governing body, and the ability of the Council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burden on the organization.
- b) Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
- c) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

***Reporting Entity, (continued)*** – The St. Tammany Parish Coroner was determined to be a component unit of St. Tammany Parish, the reporting entity, because the reporting entity's financial statements would be misleading if data of the St. Tammany Parish Coroner was not included due to the significance of the relationship and scope of public services. The accompanying financial statements present information only on funds maintained by the St. Tammany Parish Coroner and do not present information on the Parish, the general government services provided by the Parish, or other governmental units that comprise the financial reporting entity.

***Use of Estimates*** – The preparation of the Coroner's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of December 31, 2011 and 2010. Adjustments to the reported amounts of assets and liabilities and revenues and expenditures may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2011 and 2010 financial statements.

***Government-Wide Statements*** – The statements of net assets and the statements of activities display information about the Coroner. The Coroner's activities are financed through taxes, intergovernmental revenues, service fees, and other non-exchange transactions. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Coroner gives (or receives) value without directly receiving (or giving) equal value in exchange, are recorded in the year that they are assessed.

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Equipment and furniture and fixtures are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Capital assets are recorded net of accumulated depreciation in the statements of net assets.

The statements of activities present a comparison between direct expenses and program revenues for the activities of the Coroner. Program revenues consist of charges for services, which are revenues from exchanges or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. Program revenues also consist of operating grants and contributions, which are resources restricted for operating purposes of a program. These include grants and contributions with a restriction that permit the resources to be used for the operating capital needs of the program at the recipient government's discretion.

***Fund Accounting*** – The Coroner uses funds to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity using the modified accrual method to report revenues and expenditures.

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Fund Accounting, (continued)** – Funds of the Coroner are classified as governmental funds. Governmental funds account for the Coroner's general activities, including the collection and disbursement of specific or legally restricted funds. The only fund in 2011 and 2010 was the General Fund, which is the operating fund. The General Fund accounted for all of the financial resources of the Coroner.

**Basis of Accounting** – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheets. The operating statements of the fund present increases, revenues and other sources, and decreases, expenditures and other uses, in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual or when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt and compensated absences are recorded as fund liabilities when due. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures when incurred.

Those revenues of the Coroner susceptible to accrual are intergovernmental revenues, which include ad valorem taxes, fees due from the Parish and other governmental units, and fees charged for autopsies, death certificates, and criminal investigations. Substantially all other revenues are recorded when received.

**Budget and Budgetary Accounting** – Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. Unexpended appropriations and any excess revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

**Cash and Cash Equivalents** – Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. It is the policy of the Coroner to treat highly liquid investments with a maturity of ninety (90) days or less as cash equivalents.

Louisiana revised statutes authorize the Coroner to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in Louisiana Revised Statute 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Capital Assets** – Capital assets are recorded as expenditures at the time of purchase and the related assets are capitalized. All purchased capital assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets over \$500 are capitalized.

Depreciation is computed using the straight-line method over the estimated lives of the classes as follows: transportation equipment – 3 to 5 years, equipment and fixtures – 3 to 15 years, furniture and fixtures – 5 to 15 years, and DNA equipment – 5 to 20 years.

**Receivables and Allowance for Uncollectible Receivables** – The financial statements of the Coroner contain no allowance for doubtful trade receivables. Uncollectible trade receivables, including amounts due from other governmental units, are charged directly against earnings when they are determined to be uncollectible. Management believes use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

Intergovernmental receivables consisted of ad valorem receivables, which are levied on a calendar year basis that become due on December 31, and are considered delinquent on January 1. The Parish, on behalf of the Coroner, authorized and levied a 3.4-mil ad valorem tax for operations, maintenance, and construction of a new facility beginning the year ended December 31, 2005. Intergovernmental receivables are shown net of a 5% allowance for uncollectible taxes, a 3% cost for pension funds due to the Parish, and other amounts due to the Parish, which totaled \$1,627,174 for the year ended December 31, 2011. The allowance is based on the collection of ad valorem taxes by other similar governmental entities in St. Tammany Parish.

**Fund Equity** – Reserves represent those portions of fund equity not appropriated for expenditures or legally segregated for a specific use.

**Net Assets** – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by district legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

**Pension Plan, Vacation, and Sick Leave Policies** – The Coroner contributes to a pension plan for its full-time employees (Note G). Full time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Coroner. The Coroner's policy is to allow employees to accumulate an unlimited amount of vacation and sick leave. Upon termination of service, employees are paid for unused leave.

The estimated portion of the liability for vested vacation and sick leave benefits is recorded as an expenditure and liability in the general fund.

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budget** – In accordance with the Louisiana Local Government Budget Act, the procedures used by the Coroner in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings as a component unit of the St. Tammany Parish Council. The Coroner then legally adopts the budget.

The accompanying statement of revenues, expenditures, and changes in fund balance – budget and actual (GAAP basis) presents comparisons of the legally adopted budget and related amendments with actual data.

**NOTE C – CASH AND CASH EQUIVALENTS**

As of December 31, 2011 and 2010, the carrying amount of the Coroner's deposits was \$7,684,023, and \$6,780,323 respectively. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2011 and 2010, these deposits are secured from risk by \$750,000 of federal deposit insurance and \$11,964,234 and \$11,526,079, respectively, of pledged securities held by the custodial banks in the name of the Coroner and the fiscal agent bank (GASB Category 2).

**NOTE D – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Cost</b>				
Transportation equipment	\$ 276,990	\$ 22,681	\$ -	\$ 299,671
Equipment and fixtures	994,342	31,505	-	1,025,847
Furniture and fixtures	85,513	9,711	-	95,224
Land	1,401,220	-	-	1,401,220
DNA equipment	1,014,659	-	-	1,014,659
<b>Total capital assets</b>	<b>3,772,724</b>	<b>63,897</b>	<b>-</b>	<b>3,836,621</b>
<b>Construction in progress</b>	<b>1,231,188</b>	<b>4,218,582</b>	<b>-</b>	<b>5,449,770</b>
<b>Accumulated depreciation</b>				
Transportation equipment	263,443	13,218	-	276,661
Equipment and fixtures	461,969	135,600	-	597,569
Furniture and fixtures	24,760	9,977	-	34,737
DNA equipment	358,174	126,073	-	484,247
<b>Total accumulated depreciation</b>	<b>1,108,346</b>	<b>284,868</b>	<b>-</b>	<b>1,393,214</b>
<b>Net capital assets</b>	<b>\$ 3,895,566</b>			<b>\$ 7,893,177</b>

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE D – CAPITAL ASSETS, (continued)**

Capital assets and depreciation activity as of and for the year ended December 31, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Cost</b>				
Transportation equipment	\$ 276,990	\$ -	\$ -	\$ 276,990
Equipment and fixtures	721,071	273,271	-	994,342
Furniture and fixtures	71,513	14,000	-	85,513
Land	1,401,220	-	-	1,401,220
DNA equipment	1,014,659	-	-	1,014,659
<b>Total capital assets</b>	<u>3,485,453</u>	<u>287,271</u>	<u>-</u>	<u>3,772,724</u>
<b>Construction in progress</b>	<u>495,664</u>	<u>735,524</u>	<u>-</u>	<u>1,231,188</u>
<b>Accumulated depreciation</b>				
Transportation equipment	237,987	25,456	-	263,443
Equipment and fixtures	344,867	117,102	-	461,969
Furniture and fixtures	16,562	8,198	-	24,760
DNA equipment	232,100	126,074	-	358,174
<b>Total accumulated depreciation</b>	<u>831,516</u>	<u>276,830</u>	<u>-</u>	<u>1,108,346</u>
<b>Net capital assets</b>	<u>\$ 3,149,601</u>			<u>\$ 3,895,566</u>

**NOTE E – DUE TO/FROM OTHER GOVERNMENTAL UNITS**

The Coroner performs autopsies and protective custody services for other Parishes within the State of Louisiana. The Coroner also receives operating grant funds from the St. Tammany Parish Council, and an allocation of traffic fines and court fees from the St. Tammany Parish Sheriff. The amount owed to the Coroner from other governmental entities as of December 31, 2011 and 2010 was \$1,454,589, and 90,130, respectively. As of December 31, 2011 and 2010, the Coroner owed \$67,750 to another parish for protective custody services.

**NOTE F – CONTINGENT LIABILITIES**

At December 31, 2011, the Coroner was named as a defendant in a law suit which arose in the normal course of its operations. The Coroner intends to vigorously defend itself against the claim. An outcome of any estimate of loss cannot be readily determined at this time. At December 31, 2010, there was no pending litigation or potential undisclosed liabilities, which, in the opinion of the Coroner, would have had a material adverse effect on the financial statements.

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE G – PENSION PLAN**

Substantially all employees of the St. Tammany Parish Coroner are members of the Parochial Employees Retirement System of Louisiana (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Coroner are members of Plan A.

All permanent employees working at least 28 hours per week whom are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to retirement benefits, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental plan for service earned before January 1, 1980. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The payroll for employees of the Coroner was \$1,769,608, \$1,585,609, and \$1,371,571, and payroll covered by the System was \$1,725,179, \$1,522,491, and \$1,249,538 for each of the years ended December 31, 2011, 2010, and 2009, respectively.

In addition to certain dedicated taxes that are remitted to the System, (which constitute major funding of the System) covered employees are required by state statute to contribute 9.50% of gross salary. The Coroner added an employer's match of 15.75% for the years ended December 31, 2011 and 2010.

The contributions for each of the years ended December 31, 2011, 2010, and 2009 were \$435,608, \$384,429, and \$271,775, of which \$163,892, \$144,637, and \$118,706, were contributed by employees and \$271,716, \$239,792, and \$153,068 were contributed by the Coroner, respectively.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained in writing to the Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619.

**NOTE H – EXPENDITURES OF THE CORONER REQUIRED TO BE PAID BY THE PARISH**

During the year ended December 31, 2007, the Coroner entered into a cooperative endeavor agreement with the St. Tammany Parish Council. Under this agreement, the Coroner is entitled to receive all ad valorem taxes directly net of the remittance of the annual bond payment to the Parish. The Parish collected the ad valorem taxes on behalf of the Coroner and reimbursed the Coroner for expenditures submitted by management of the Coroner.

**ST. TAMMANY PARISH CORONER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**NOTE I – CONCENTRATION OF REVENUES**

Of the Coroner's revenues, approximately \$5,370,708 (53%) and \$5,636,457 (80%) of revenues are obtained through a single source, ad valorem taxes, for the years ended December 31, 2011 and 2010, respectively.

**NOTE J – OPERATING LEASES**

During the years ended December 31, 2011 and 2010, office equipment was leased on a month-to-month basis. As of December 31, 2011 and 2010, the total lease expense was \$5,520 and \$5,520, respectively.

**NOTE K – COMPENSATED ABSENCES**

During 2001, the Coroner's office adopted a policy for calculating compensated absences. The Coroner's office began accruing compensated absences during the year ended December 31, 2001. All full-time, permanent employees earn from 5 to 15 days each of vacation and sick leave, per year, depending on the length of service with the Coroner. An unlimited amount of vacation and sick leave may be carried forward to the next calendar year. Upon termination, earned vacation and sick leave are paid to the employee at the employee's current rate of pay.

The cost of compensated absences, which includes earned vacation and sick leave, are recognized as current year expenditures in the general fund when leave is actually taken, or when employees are paid for accrued leave upon termination, retirement, or death. No liability is recorded in the general fund for accrued compensated absences.

The summary for compensated absences is as follows:

<u>Balance January 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2011</u>
<u>\$ 318,276</u>	\$ 216,908	\$ (179,586)	<u>\$ 355,598</u>
<u>Balance January 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2010</u>
<u>\$ 265,594</u>	\$ 193,741	\$ (141,059)	<u>\$ 318,276</u>

**NOTE L – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 20, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**



**ST. TAMMANY PARISH CORONER  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Intergovernmental				
Intergovernmental revenues	\$ 10,785,000	\$ 8,943,714	\$ 9,589,290	\$ 645,576
Traffic fines and court fees	145,000	60,000	57,075	(2,925)
Charges for service	101,000	127,340	184,772	57,432
General				
State revenue sharing	-	138,977	89,994	(48,983)
State grant	75,000	112,000	62,033	(49,967)
Interest income	65,000	64,500	63,666	(834)
Other income	30,000	2,500	2,416	(84)
Total revenues	11,201,000	9,449,031	10,049,246	600,215
<b>EXPENDITURES</b>				
Health and welfare				
Personnel services	2,455,000	2,590,000	2,017,267	572,733
Operating services	525,750	508,120	1,027,050	(518,930)
Materials and supplies	858,081	513,300	475,961	37,339
Capital outlay	293,500	63,896	63,897	(1)
Total expenditures	4,132,331	3,675,316	3,584,175	91,141
CHANGES IN FUND BALANCE	7,068,669	5,773,715	6,465,071	691,356
FUND BALANCE - Beginning of year	12,228,371	12,228,371	12,228,371	-
FUND BALANCE - End of year	<u>\$ 19,297,040</u>	<u>\$ 18,002,086</u>	<u>\$ 18,693,442</u>	<u>\$ 691,356</u>

\* Construction in progress additions are obtained with intergovernmental grant revenues and, thus, are not budgeted.

See accompanying independent auditor's report.

**OTHER INDEPENDENT AUDITORS' REPORT**



Certified Public Accountants & Consultants

Brent A. Silva, CPA  
Craig A. Silva, CPA\*  
Thomas A. Gurtner, CPA\*  
Kenneth J. Abney, CPA, MS Tax\*  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Dr. Peter R. Galvan, MD  
St. Tammany Parish Coroner  
Slidell, Louisiana

We have audited the financial statements of the governmental activities of the St. Tammany Parish Coroner, as of and for the year ended December 31, 2011, and have issued our report thereon dated April 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered St. Tammany Parish Coroner's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Tammany Parish Coroner's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Coroner's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Coroner's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or anything that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of St. Tammany Parish Coroner's management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor's as a public document.

*Silva Gurtner & Alney, LLC*

April 20, 2012

**ST. TAMMANY PARISH CORONER  
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

No matters are reportable.

**COMPLIANCE AND OTHER MATTERS**

No matters are reportable.

**ST. TAMMANY PARISH CORONER  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

No matters are reportable.

**COMPLIANCE AND OTHER MATTERS**

No matters are reportable.